

MR. BLACKWELDER: Yes, good afternoon, members of the Commission. I appreciate the opportunity to be here. I'm President of the Friends of the Earth of the United States. We are a national environmental organization founded 30 years ago. We're also part of the Friends of the Earth International, which has member groups in 63 countries, making us one of the largest environmental advocacy organizations on the Earth. We were among the first groups to call attention to environmental concerns as they related to trade agreements, and we had strong opposition to both NAFTA and the Uruguay Round of GATT, citing a variety of fears that we had about the results that would happen if these were enacted.

And I must say that I believe our worst-case scenario and even more so has been realized. Some of the things that my colleague, Dan Seligman, referred to, the successful challenges to environmental standards, hard-worked laws and regulations has already happened to a far greater extent than we ever predicted, and rather than the elevation of standards, principles, and behavior to higher levels, it has been a knockdown towards innovation and pioneering on improving human health and environmental standards and the overall quality of life.

We don't see environment as separate by itself. At Friends of the Earth, we view things as

interconnected. As John Muir, the Founder of the Sierra Club said, we find all things in the universe interconnected. We see that healthy communities are linked to good jobs and to a high quality of life. These are all integral parts, one with the other. And, so we are advocating for healthy communities -- and that means jobs, environment, and a good quality of life. We are an international organization, but what we are afraid of worldwide is that these agreements have not been written in a way which promotes what I would term sustainable trade. And I might say our approach to this is not isolationist.

The model is all wrong. The model that we have now, which is not only found in the trade agreements but it's found in the policies of the World Bank and the International Monetary Fund, is the "export-your-way-to-heaven situation," and that cannot be the case. Everybody can't be doing that and succeed. And the pressures from an environmental standpoint are imposed on countries around the world, are rapidly to extract, extinguish and liquidate their natural resources, whether those be timber or fisheries or whatever.

And when you have this kind of advice being given, it runs counter to everything that I think we, from a social and democratic standpoint, want to

instill in our children because we talk to them about not using capital overnight, but investing for the long run. And yet we are allowing, more and more, the global economy to be run as a Las Vegas casino.

And, so now when we're hiring people at Friends of the Earth, we're not putting biologists on staff; we're looking at people who have a grasp of how the overall economy functions, and we have actually gone to the trouble of putting together a new global financial architecture. A bit presumptuous, obviously, you're going to say, but we feel if we don't address that -- the overall juggernaut of how the global economy is running now, buttressed by the trade liberalization -- it is going to negate, vitiate all of the gains that we have been able to make -- some of those are very impressive gains from an environmental standpoint -- during the past 30 years, since the first Earth Day.

And, so I think that we're going to see trade deficits worsen and environmental quality of life deteriorate unless we change the model here, and it's a terrible model.

I might also say that I was acquainted with the late billionaire, Sir James Goldsmith, and worked with him on these issues. And his case was very compelling. He says, "I can make even more money if

you give me the rules as proposed in NAFTA and GATT." But he said, "I'm telling you, I'm an industrialist here in France. There's every signal to me as an industrialist to pull out and hire a Vietnamese. I can hire 48 Vietnamese for the price of one Frenchman, and because my labor may be 25 percent of my costs, there's every incentive for me to do that, and I can sell the same product in the same market. What kind of signal are you sending to me as a businessman if that's the rules you set up for me to operate under? It's going to destroy everything we have worked to build here in Europe, and it's not going to do any favors in Asia because of the incredibly burgeoning market there." And this is the case still today. This is what he was talking about six years ago.

We have to think of a different approach. How much trade do we want? How do we structure it? The way we have set it up now, labor and environmental standards are undermined repeatedly by what's happening, and that has got to change. And just a couple of concerns I might show you that we have with this system: for example, if you took a couple of pieces of paper here like these two. Now, these may look the same; in fact, they have the very same words on them. But one of these may have been produced in an environmentally sound manner -- the paper produced,

without pollution, without uprooting communities. The other may have been produced with child labor from a community that was displaced for a paper mill to go in and a local fishery and forest eliminated. Yet we cannot, on the basis of the trade agreements we have now say, "Yes, we'll take the first one, but we won't take the second one." And if we can't do that, then we cannot uphold our highest moral standards, and we cannot ensure labor and environmental protection.

I'll give you one other example. If we don't deal with the question of what is an appropriate volume of exports, then the amount of energy used in shipping stuff all over the place raises a serious question of environmental sustainability, and it's also a question of sustainable local communities that come into that question.

I might close by indicating that as we've done polls, we have found that 87 percent of the American public agrees that trade arrangements should protect the environment. That is not the case to date.

And as we go to this World Trade Organization meeting in Seattle, a dozen organizations, environmental organizations, have asked for three things: One, we do not want any expansion of the powers of the World Trade Organization at this time, because the problems have not been fixed; the second point is that the problems

with the World Trade Organization, its anti-democratic structure and its undermining of laws, have got to be changed, and the third thing is that some assessment has got to be done before more trade globalization occurs, an assessment of the impacts that globalization is having on environment, natural resources, and communities all over the world.

I'd be happy to answer any questions you have.

COMMISSIONER BECKER: Thank you very much.

Mr. Farrow.